

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02

COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11 INT-08 L-03

NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

SP-03 SS-20 STR-08 TRSE-00 FRB-03 FEA-02 DRC-01 /153 W

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R 222050Z JUL 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 1844

C O N F I D E N T I A L QUITO 4834

E.O. 11652: GDS

TAGS: ENRG EC

SUBJECT: DEMARCHE OPPOSING HIGH OIL PRICES

REF: A. STATE 145988

B. QUITO 4521

C. STATE 148311

D. QUITO 4805

E. BREWSTER/PRINGLE TELECON JULY 8, 1974

1. ON JULY 22 CHARGE MADE DEMARCHE AGREED REFS TO FOREIGN OFFICE SUBSECRETARY VALDEZ. THE SUBSECRETARY LISTENED COURTEOUSLY TO THE ENTIRE PRESENTATION AND ADMITTED THAT THE UNITED STATES HAD EVERY RIGHT TO MAKE IT. AS EXPECTED, HE THEN QUIETLY PROCEEDED TO SAY THAT (A) OIL PRICES HAD FOR A LONG TIME BEEN SO LOW THAT THE MAJOR CONSUMING COUNTRIES WERE WASTING THIS VALUABLE ENERGY RESOURCE, AND (B) THAT THE PRICES OF MOST IMPORTS INTO ECUADOR--ESPECIALLY STEEL AND OTHER MANUFACTURED PRODUCTS--WERE RISING SO FAST THAT ECUADOR HAD TO KEEP UP ITS IMPORT CAPACITY.

2. THE CHARGE, IN REFERRING BACK TO ONE POINT IN THE DEMARCHE CONCERNING THE FACT THAT ECUADOR HAD NOT REDUCED ITS SALES OF PETROLEUM TO THE UNITED STATES DURING THE
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RECENT OIL EMBARGO, POINTED OUT THAT IN THE PRESENT WORLD

SHORTAGE OF WHEAT AND OTHER FOODSTUFFS THE UNITED STATES
WAS MAKING EVERY EFFORT TO INCREASE ITS PRODUCTION OF
THOSE COMMODITIES OF WHICH THE UNITED STATES IS THE LARGEST
EXPORTER. VALDEZ SAID THAT HE UNDERSTOOD AND APPRECIATED
THIS POINT AND THAT ECUADOR, WHILE NATURALLY FOLLOWING ITS
OWN BEST INTEREST AS WELL AS IT COULD, WAS ALSO AWARE OF
ITS WORLD RESPONSIBILITIES AS AN OIL EXPORTER.
HEMENWAY

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEMARCHE, PETROLEUM, PRICE TRENDS, OPPOSITION PARTIES, EXPORTERS, DIPLOMATIC PROTESTS
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Draft Date: 22 JUL 1974
Decaption Date: 01 JAN 1960
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Disposition Approved on Date:
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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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US Department of State
EO Systematic Review
30 JUN 2005

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TAGS: ENRG, EC, US, (VALDEZ)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005